

UNDERWOOD

FRED STORMER
Phone: 806.379.0306
Fax: 806.379.0316
www.uwlaw.com
Fred.Stormer@uwlaw.com

ADDRESS:
500 S. Taylor Street
Suite 1200, LB 233
Amarillo, TX 79101-2446
MAILING ADDRESS:
P.O. Box 9158
Amarillo, TX 79105-9158

July 30, 2020

John Villarreal
Stephanie Jones
Economic Development and Analysis Division
Texas Comptroller of Public Accounts
111 E. 17th St.
Austin, TX 78774

Via Email

Re: 313 Application from FGE Goodnight II, LLC to Claude ISD

Dear John and Stephanie:

Enclosed please find an application for appraised value limitation on qualified property submitted to Claude ISD by FGE Goodnight II, LLC on July 23, 2020, along with the schedules in Excel format.

The Claude ISD Board acted to accept for consideration the application on July 23, 2020. The application was determined to be complete by the District on July 29, 2020. We ask that the Comptroller's Office prepare the economic impact report for this application.

A copy of the application will also be submitted to the Armstrong County Appraisal District in accordance with 34 Tex. Admin. Code §9.1054. Please feel free to contact me if you have any questions or concerns.

Sincerely,



Fred A. Stormer

FAS/ph
Encl.

cc: Chief Appraiser, Armstrong CAD
Emerson Farrell, CEO & President
Elliott Farrell, Sr. Vice President
Daron Fredrickson, Merit Advisors
Brock Cartwright, Superintendent, Claude ISD

via email: armstrongcad@armstrongcad.org
via email: efarrell@fgpower.com
via email: bfarrell@fgpower.com
via email: dfredrickson@meritadvsior.com

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages of the application including the signature and certification page, signed and dated by Authorized School District Representative and Authorized Company Representative. Sections 1-16
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation (if applicable)
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable)
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property (if applicable)
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> a) Project boundary and project vicinity, including county and school district boundaries b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Any existing property within the project area e) Any facilities owned or operated by the applicant having interconnections to the proposed project f) Location of project, and related nearby projects within vicinity map g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size <p>Note: Electronic maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information (if applicable)
13	Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation
14	Schedules A1, A2, B, and C completed and signed Economic Impact (if applicable)
15	Economic Impact Analysis, other payments made in the state or other economic information (if applicable)
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone <p>* To be submitted with application or before date of final application approval by school board</p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)

FGE Goodnight II, LLC

Chapter 313 Application to Claude ISD

Merit Advisors, LLC

TAB 1

Pages 1 through 8 of application.

Application for Appraised Value Limitation on Qualified Property

(Tax Code, Chapter 313, Subchapter B or C)

INSTRUCTIONS: This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application. This notice must include:
 - the date on which the school district received the application;
 - the date the school district determined that the application was complete;
 - the date the school board decided to consider the application; and
 - a request that the Comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original hard copy of the completed application to the Comptroller, as indicated on page 9 of this application, separating each section of the documents in addition to an electronic copy. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, and has determined that all assertions of confidentiality are appropriate, the Comptroller will publish all submitted non-confidential application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules. For more information, see guidelines on Comptroller’s website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller’s rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application not later than the 150th day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller’s website to find out more about the program at comptroller.texas.gov/economy/local/ch313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

July 23, 2020		
Date Application Received by District		
Brock	Cartwright	
First Name	Last Name	
Superintendent		
Title		
Claude ISD		
School District Name		
500 W 5th St.		
Street Address		
P.O. Box 209		
Mailing Address		
Claude	Texas	79019
City	State	ZIP
806-226-7331, Ext 1302	806-226-2244	
Phone Number	Fax Number	
N/A	teresa.justiss@claudefisd.net	
Mobile Number (optional)	Email Address	

2. Does the district authorize the consultant to provide and obtain information related to this application? Yes No

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Fred	Stormer
<small>First Name</small>	<small>Last Name</small>
Attorney	
<small>Title</small>	
Underwood Law Firm, P.C.	
<small>Firm Name</small>	
806-379-0306	806-376-5613
<small>Phone Number</small>	<small>Fax Number</small>
N/A	fred.stormer@uwlaw.com
<small>Mobile Number (optional)</small>	<small>Email Address</small>
4. On what date did the district determine this application complete? July 29, 2020	
5. Has the district determined that the electronic copy and hard copy are identical? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Emerson	Farrell
<small>First Name</small>	<small>Last Name</small>
CEO & President	FGE Power
<small>Title</small>	<small>Organization</small>
500 W 2nd St., Suite 1900	
<small>Street Address</small>	
500 W 2nd St., Suite 1900	
<small>Mailing Address</small>	
Austin	Texas
<small>City</small>	<small>State</small>
281-407-7749	78701
<small>Phone Number</small>	<small>ZIP</small>
N/A	281-407-6155
<small>Mobile Number (optional)</small>	<small>Fax Number</small>
	efarrell@fgpower.com
	<small>Business Email Address</small>
2. Will a company official other than the authorized company representative be responsible for responding to future information requests? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

2a. If yes, please fill out contact information for that person.

Elliott	Farrell
<small>First Name</small>	<small>Last Name</small>
Senior Vice President	FGE Power
<small>Title</small>	<small>Organization</small>
500 W 2nd St., Suite 1900	
<small>Street Address</small>	
500 W 2nd St., Suite 1900	
<small>Mailing Address</small>	
Austin	Texas
<small>City</small>	<small>State</small>
281-407-7749	78701
<small>Phone Number</small>	<small>ZIP</small>
N/A	281-407-6155
<small>Mobile Number (optional)</small>	<small>Fax Number</small>
	bfarrell@fgpower.com
	<small>Business Email Address</small>

3. Does the applicant authorize the consultant to provide and obtain information related to this application? Yes No

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Daron	Fredrickson
First Name	Last Name
Partner	
Title	
Merit Advisors, LLC	
Firm Name	
940-665-6452	940-612-3921
Phone Number	Fax Number
dfredrickson@meritadvisor.com	
Business Email Address	

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? Yes No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, include all transaction information below. Include proof of application fee paid to the school district in **Tab 2**. Any confidential banking information provided will not be publicly posted.

80,000	Wire Transfer
Payment Amount	Transaction Type
FGE Power	Claude ISD
Payor	Payee
July 23, 2020	
Date transaction was processed	

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? Yes No N/A

3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? Yes No N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made?	FGE Goodnight II, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits)	32064194957
3. Parent Company Name	FGE Power
4. Parent Company Tax ID	32801759983
5. List the NAICS code	221115
6. Is the applicant a party to any other pending or active Chapter 313 agreements?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6a. If yes, please list application number, name of school district and year of agreement	N/A

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc)	Limited Liability Corporation
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2a. If yes, attach in Tab 3 a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.	

SECTION 5: Applicant Business Structure (continued)

2b. List the Texas Franchise Tax Reporting Entity Taxpayer Name
FGE Goodnight II, LLC

2c. List the Reporting Entity Taxpayer Number
32064194957

3. Is the applicant current on all tax payments due to the State of Texas? Yes No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? Yes No N/A

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? Yes No
2. The property will be used for one of the following activities:
- (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) Yes No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051* Yes No
3. Are you requesting that any of the land be classified as qualified investment? Yes No
4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
5. Will any of the proposed qualified investment be leased under an operating lease? Yes No
6. Are you including property that is owned by a person other than the applicant? Yes No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

***Note:** Applicants requesting eligibility under this category should note that there are additional application and reporting data submission requirements.

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information. If the project is an amendment or a reapplication please specify and provide details regarding the original project.
2. Check the project characteristics that apply to the proposed project:
- Land has no existing improvements Land has existing improvements (complete Section 13)
 - Expansion of existing operation on the land (complete Section 13) Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

SECTION 9: Projected Timeline

NOTE: Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment.

1. Estimated school board ratification of final agreement Q4 -2020
 2. Estimated commencement of construction Q1 - 2021
 3. Beginning of qualifying time period (MM/DD/YYYY) January 1, 2021
 4. First year of limitation (MM/DD/YYYY) January 1, 2023
- 4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):
- A. January 1 following the application date B. January 1 following the end of QTP
- C. January 1 following the commencement of commercial operations
5. Commencement of commercial operations Q4 2022

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Armstrong County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Armstrong CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? Yes No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

M&O (ISD): <u>Claude ISD, .97, 100%</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>Claude ISD, .055, 100%</u> <small>(Name, tax rate and percent of project)</small>
County: <u>Armstrong, .529186, 100%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>Panhandle GWCD #3, .0096, 100%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small>

SECTION 10: The Property (continued)

5. List all state and local incentives as an annual percentage. Include the estimated start and end year of the incentive:

County: <u>312 Agreement, 100%, 10 years</u> <small>(Incentive type, percentage, start and end year)</small>	City: <u>N/A</u> <small>(Incentive type, percentage, start and end year)</small>
Hospital District: <u>N/A</u> <small>(Incentive type, percentage, start and end year)</small>	Water District: <u>N/A</u> <small>(Incentive type, percentage, start and end year)</small>
Other (describe): <u>N/A</u> <small>(Incentive type, percentage, start and end year)</small>	Other (describe): <u>N/A</u> <small>(Incentive type, percentage, start and end year)</small>

6. Is the project located entirely within the ISD listed in Section 1? Yes No
- 6a. If no, attach in **Tab 6** maps of the entire project (depicting all other relevant school districts) and additional information on the project scope and size. Please note that only the qualified property within the ISD listed in Section 1 is eligible for the limitation from this application. Please verify that all information in **Tabs 7 and 8**, Section 11, 12 and 13, and map project boundaries pertain to only the property within the ISD listed in Section 1.
7. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
- 7a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Texas Tax Code 313.021(1) Qualified Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller’s website at comptroller.texas.gov/economy/local/ch313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 10,000,000

2. What is the amount of appraised value limitation for which you are applying? 20,000,000

Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.

3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
- a. a specific and detailed description of the qualified investment you propose to make within the project boundary for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? Yes No

SECTION 12: Texas Tax Code 313.021(2) Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] The description must include:
- 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**);
 - 1c. a map or site plan of the proposed qualified property showing the location of the new buildings or new improvements inside the project area boundaries within a vicinity map that includes school district, county and RZ boundaries (**Tab 11**); and
 - 1d. Will any of the proposed qualified property be used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area? Yes No

Note: Property used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area cannot be considered qualified property and will not be eligible for a limitation. See TAC §9.1051(16).

SECTION 14: Wage and Employment Information

1. What is the number of new qualifying jobs you are committing to create? 5
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) 0
3. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1) and TAC 9.1051(b)(1)? Yes No
 - 3a. If yes, attach evidence of industry standard in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
4. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22). **Note:** If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.
 - a. Non-qualified job wages
- average weekly wage for all jobs (all industries) in the county is 809.75
 - b. Qualifying job wage minimum option §313.021(5)(A)
-110% of the average weekly wage for manufacturing jobs in the county is 891.00
 - c. Qualifying job wage minimum option §313.021(5)(B)
-110% of the average weekly wage for manufacturing jobs in the region is 1,064.00
5. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)
6. What is the minimum required annual wage for each qualifying job based on the qualified property? 55,345.40
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 55,345.40
8. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
9. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 9a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
10. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 - 10a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, and C in **Tab 14**. **Note:** Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (not required)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

FGE Goodnight II, LLC

Chapter 313 Application to Claude ISD

Merit Advisors, LLC

TAB 2

Proof of Payment of Application Fee

Please find on the attached page, a copy of the check for the \$80,000 application fee paid to Claude ISD.

Proof of payment of filing fee received by the
Comptroller of Public Accounts per TAC Rule
§9.1054 (b)(5)

*(Page Inserted by Office of Texas Comptroller of
Public Accounts)*

FGE Goodnight II, LLC

Chapter 313 Application to Claude ISD

Merit Advisors, LLC

TAB 3

*Documentation of Combined Group membership under Texas Tax Code 171.0001(7),
history of tax default, delinquencies and/or material litigation (if applicable)*

Not Applicable

TAB 4

Detailed Description of the Project

Provide a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.

FGE Goodnight II, LLC (Goodnight II) is requesting an appraised value limitation from Claude Independent School District (ISD) for the Goodnight II Wind Project (the "Project"), a proposed wind powered electric generating facility in Armstrong County. The proposed Claude ISD Project (this application) will be constructed utilizing approximately 68 wind turbines within Armstrong County Reinvestment Zone 7 that was established by Armstrong County on September 11, 2017. A map showing the location of the project is included in TAB 11.

The proposed Project is anticipated to have a capacity of approximately 250 MW, located in Claude ISD. The exact number and location of wind turbines and size of each turbine will vary depending upon ongoing wind and siting analysis, turbine manufacturer's availability, prices, and the megawatt generating capacity of the Project when completed. The turbines and facilities will be installed all within the Reinvestment Zone and 100% in the boundaries of Claude ISD.

The Applicant requests a value limitation for all facilities and equipment installed for the Project, including, wind turbines, towers, foundations, roadways, buildings and offices, meteorological towers, collection system, communication system, electric substation, electric switch-yard, electric transformers, transmission line and associated towers, and interconnection facilities.

**NOTE:* The map in TAB 11 shows the potential locations within which all facilities will be located within Claude ISD boundaries; however, the final number of turbines and the location of each of these facilities depend upon ongoing negotiations with power purchasers and other factors.

TAB 5

Documentation to assist in determining if limitation is a determining factor.

FGE Power is an energy and infrastructure company focused on developing clean, innovative, and sustainable utility-scale power generation solutions. Our Triple Bottom Line approach maximizes economic, social, and environmental returns while allowing us to meet the demand for reliable energy today.

At FGE we build mutually beneficial long-term relationships with strategic partners that share our core values. We maintain effective partnerships with world-class OEMs, globally recognized EPCs, and best-in-class O&M providers in order to maximize the effects of preferred pricing, shared development costs, and community involvement. These deep partnerships result in more efficient projects with greater equity returns for shareholders and stronger economic impact on local communities.

Our next generation of renewable energy infrastructure, paired with high-efficiency and highly flexible natural gas plants, will replace the aging fleet of coal and nuclear power plants. To create a future with reliable energy and a minimal carbon footprint, FGE and its partners are leveraging the best practices and technology solutions available. FGE Power is continually comparing investment opportunities, rate of return and market viability of each project based upon project financial metrics. For example, FGE Power actively has potential project developments in other states, including but not limited to, Kansas, Iowa, and Mississippi.

Due to the extremely competitive power market in ERCOT most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

TAB 6

Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable).

N/A

TAB 7

Description of Qualified Investment

FGE Goodnight II, LLC plans to construct a 250 MW wind farm, utilizing approximately 68 turbines in Armstrong County.

This application covers all qualified property within Claude ISD necessary for the commercial operations of the proposed wind farm described in Tab 4. Two hundred and fifty megawatts (250MW) will be located in Claude ISD. Turbine placement will be within the boundaries of the established Reinvestment Zone 7.

This application covers all qualified investment and qualified property necessary for the commercial operations of the wind farm.

Qualified Investment and qualified property includes turbines, towers, foundations, transformers, pad mounts, buildings and offices, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, and control systems necessary for commercial generation of electricity.

**NOTE:* The map in TAB 11 shows the potential locations of the wind turbines, a collector substation within Claude ISD boundaries; however, the final number of turbines is dependent upon ongoing negotiations with power purchasers and other factors.

TAB 8

Description of Qualified Property

This application covers all qualified investment and qualified property necessary for the commercial operations of the wind farm.

Qualified Investment and qualified property includes turbines, towers, foundations, transformers, pad mounts, buildings and offices, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, and control systems necessary for commercial generation of electricity.

TAB 9

Description of Land

Not Applicable

TAB 10

Description of all property not eligible to become qualified property (if applicable)

Not Applicable

TAB 11

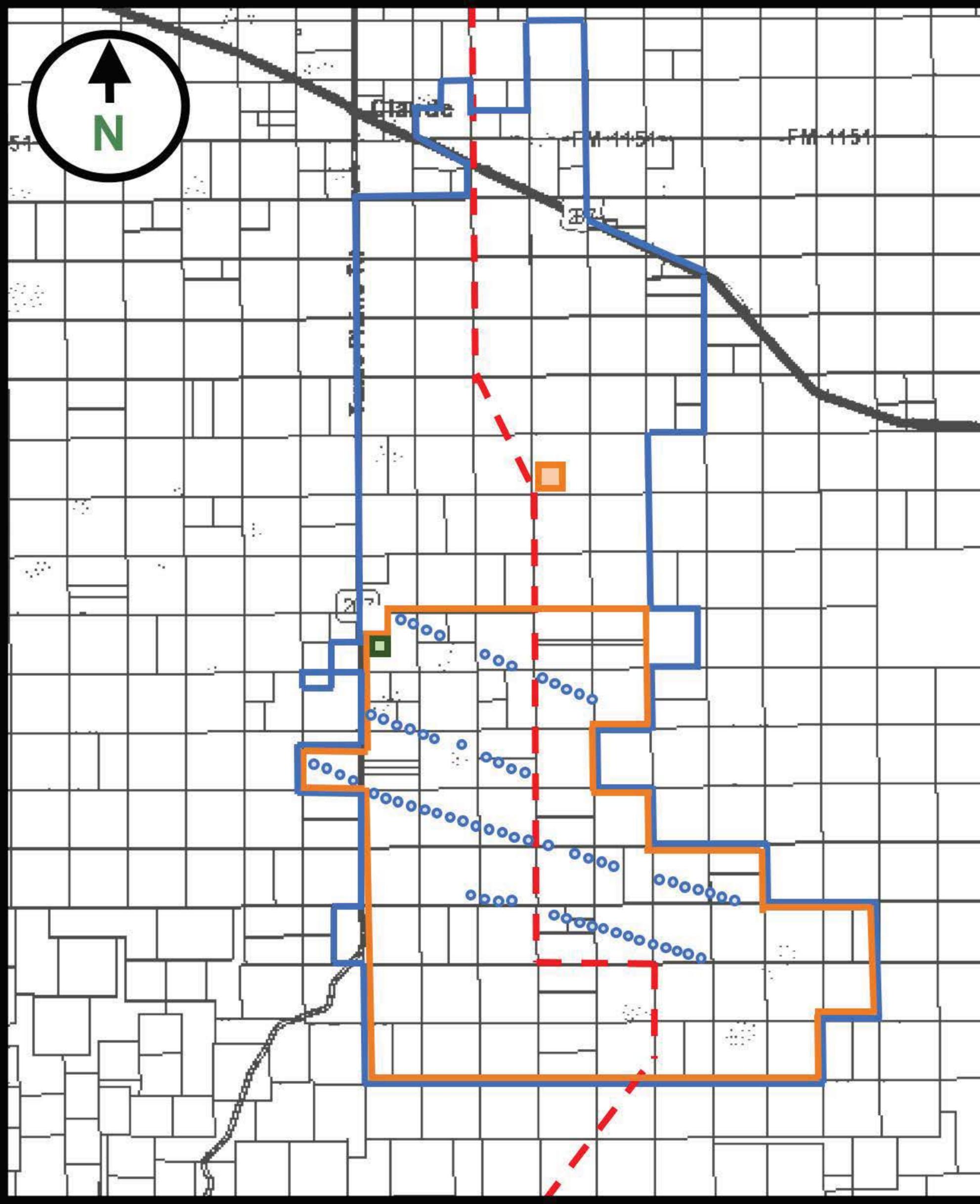
Maps that clearly show:

- a) Project vicinity
- b) Qualified investment including location of new building or new improvements
- c) Qualified property including location of new building or new improvements
- d) Existing property
- e) Land location within vicinity map
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size



LEGEND

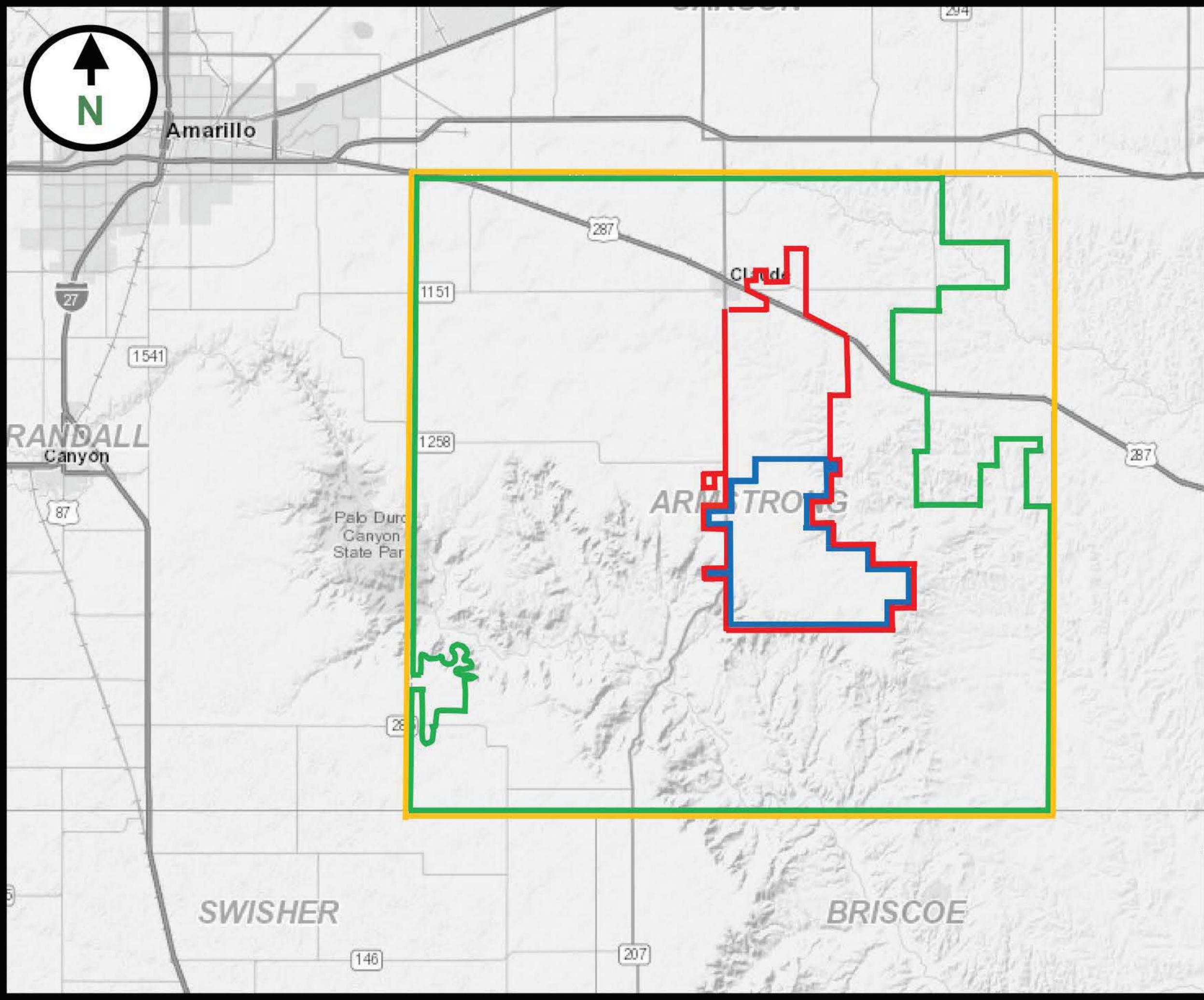
-  Reinvestment Zone
-  Project Area
-  O&M Building
-  Substation
-  CREZ Line
-  Wind Turbine





LEGEND

-  Armstrong County
-  Claude ISD
-  Reinvestment Zone
-  Project Boundary



FGE Goodnight II, LLC

Chapter 313 Application to Claude ISD

Merit Advisors, LLC

TAB 12

Request for Waiver of Job Creation Requirement and supporting information (if applicable)

See Attached



July 30, 2020

Mr. Brock Cartwright
Claude Independent School District
500 W. 5th St.
Claude, TX 79019

Re: Chapter 313 Job Waiver Request

Dear Mr. Cartwright,

FGE Goodnight II, LLC (Goodnight II) requests that the Claude Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the tax code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

Goodnight II, requests that the Claude Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Goodnight II, has committed to create 5 total jobs for the project, all of which will be in Claude ISD.

Wind projects create many full and part-time, but temporary jobs during the construction phase of the project and require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The number of jobs specified in this application is in line with the industry standards for a wind farm of this scope and size. The industry standard for employment is typically one full-time employee for approximately every 15 turbines. This number may vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. This is evidenced by previously filed limitation agreement applications by wind developers who also requested a waiver of the job requirements.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Fredrickson", written over a light blue horizontal line.

Daron Fredrickson, Partner
Merit Advisors, LLC

TAB 13

Calculation of three possible wage requirements with TWC documentation

- Armstrong County average weekly wage for all jobs (all industries)
- Armstrong County average weekly wage for all jobs (manufacturing)
- See attached Council of Governments Regional Wage Calculation and Documentation

FGE Goodnight II, LLC
 Tab 13 to Chapter 313 Application - Claude ISD
 Documentation Attached

Chapter 313 Wage Calculation - All Jobs - All Industries

Quarter	Year	Avg Weekly Wage	Annualized
1	2019	\$ 850	\$ 44,200
2	2019	\$ 751	\$ 39,052
3	2019	\$ 756	\$ 39,312
4	2019	\$ 882	\$ 45,864
Average		\$ 809.75	\$ 42,107
			\$ 46,318
			110%
			110%

Chapter 313 Wage Calculation - Manufacturing Jobs

No Available Data

Chapter 313 Wage Calculation - Regional Wage Rate

Region	Year	Avg Weekly Wages	Annualized
Panhandle	2018	968	50,314
		X 110%	
		\$ 1,064	\$ 55,345.40

**2018 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	COG Number	Wages	
		Hourly	Annual
Texas		\$27.04	\$56,240
Alamo Area Council of Governments	18	\$22.80	\$47,428
Ark-Tex Council of Governments	5	\$18.73	\$38,962
Brazos Valley Council of Governments	13	\$18.16	\$37,783
Capital Area Council of Governments	12	\$32.36	\$67,318
Central Texas Council of Governments	23	\$19.60	\$40,771
Coastal Bend Council of Governments	20	\$28.52	\$59,318
Concho Valley Council of Governments	10	\$21.09	\$43,874
Deep East Texas Council of Governments	14	\$18.28	\$38,021
East Texas Council of Governments	6	\$21.45	\$44,616
Golden Crescent Regional Planning Commission	17	\$28.56	\$59,412
Heart of Texas Council of Governments	11	\$22.71	\$47,245
Houston-Galveston Area Council	16	\$29.76	\$61,909
Lower Rio Grande Valley Development Council	21	\$17.21	\$35,804
Middle Rio Grande Development Council	24	\$20.48	\$42,604
NORTEX Regional Planning Commission	3	\$25.14	\$52,284
North Central Texas Council of Governments	4	\$27.93	\$58,094
Panhandle Regional Planning Commission	1	\$24.19	\$50,314
Permian Basin Regional Planning Commission	9	\$25.90	\$53,882
Rio Grande Council of Governments	8	\$18.51	\$38,493
South East Texas Regional Planning Commission	15	\$36.26	\$75,430
South Plains Association of Governments	2	\$20.04	\$41,691
South Texas Development Council	19	\$17.83	\$37,088
Texoma Council of Governments	22	\$21.73	\$45,198
West Central Texas Council of Governments	7	\$21.84	\$45,431

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.

Data published: July 2019

Data published annually, next update will be July 31, 2020

Annual wage figure assumes a 40-hour work week.

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas Occupational Employment Statistics (OES) data, and is not to be compared to BLS estimates.

Data intended only for use in implementing Chapter 313, Tax Code.

Year	Period	Area	Ownership	Industry	Average Weekly Wage	Annualized
2019	01	Armstrong	Total All	Total, All Industries	\$ 850	\$ 44,200
2019	02	Armstrong	Total All	Total, All Industries	\$ 751	\$ 39,052
2019	03	Armstrong	Total All	Total, All Industries	\$ 756	\$ 39,312
2019	04	Armstrong	Total All	Total, All Industries	\$ 882	\$ 45,864
				Average	\$ 810	\$ 42,107

FGE Goodnight II, LLC

Chapter 313 Application to Claude ISD

Merit Advisors, LLC

TAB 14

Schedules A1, A2, B, C and D completed and signed Economic Impact (if applicable)

See attached Schedules A1, A2, B, C and D

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district				Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2020					
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period								
Complete tax years of qualifying time period	QTP1	2021-2022	2021	133,000,000	450,000			133,450,000
	QTP2	2022-2023	2022	133,000,000	450,000			133,450,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				266,000,000	900,000			
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				266,900,000				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application. Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application. 266,900,000

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

Date **7/20/2020**

Applicant Name **FGE Goodnight II, LLC**

ISD Name **Claude ISD**

Form 50-296A

Revised February 2020

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		266,000,000	900,000	0	0	266,900,000
<i>Enter amounts from TOTAL row in Schedule A1 in the row below</i>								
Each year prior to start of value limitation period** <small>Insert as many rows as necessary</small>	QTP 1	2021-2022	2021	133,000,000	450,000			
	QTP 2	2022-2023	2022	133,000,000	450,000			
Value limitation period***	1	2023-2024	2023	-				
	2	2024-2025	2024	-				
	3	2025-2026	2025	-				
	4	2026-2027	2026	-				
	5	2027-2028	2027	-				
	6	2028-2029	2028	-				
	7	2029-2030	2029	-				
	8	2030-2031	2030	-				
	9	2031-2032	2031	-				
	10	2032-2033	2032	-				
Total Investment made through limitation				266,000,000	900,000	0	0	266,900,000
Continue to maintain viable presence	11	2033-2034	2033					
	12	2034-2035	2034					
	13	2035-2036	2035					
	14	2036-2037	2036					
	15	2037-2038	2037					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2038-2039	2038					
	17	2039-2040	2039					
	18	2040-2041	2040					
	19	2041-2042	2041					
	20	2042-2043	2042					
	21	2043-2044	2043					
	22	2044-2045	2044					
	23	2045-2046	2045					
	24	2046-2047	2046					
	25	2047-2048	2047					

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date **7/20/2020**
 Applicant Name **FGE Goodnight II, LLC**
 ISD Name **Claude ISD**

Form 50-296A

Revised February 2020

				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	QTP 1	2021-2022	2021	-	0	0	0	0	0
	QTP 2	2022-2023	2022	-	0	0	0	0	0
Value Limitation Period	1	2023-2024	2023	-	887,670	251,506,500	251,506,500	252,394,170	20,000,000
	2	2024-2025	2024	-	874,350	247,732,500	247,732,500	248,606,850	20,000,000
	3	2025-2026	2025	-	860,040	243,678,000	243,678,000	244,538,040	20,000,000
	4	2026-2027	2026	-	844,560	239,292,000	239,292,000	240,136,560	20,000,000
	5	2027-2028	2027	-	827,820	234,549,000	234,549,000	235,376,820	20,000,000
	6	2028-2029	2028	-	809,730	229,423,500	229,423,500	230,233,230	20,000,000
	7	2029-2030	2029	-	790,110	223,864,500	223,864,500	224,654,610	20,000,000
	8	2030-2031	2030	-	769,050	217,897,500	217,897,500	218,666,550	20,000,000
	9	2031-2032	2031	-	746,280	211,446,000	211,446,000	212,192,280	20,000,000
	10	2032-2033	2032	-	721,620	204,459,000	204,459,000	205,180,620	20,000,000
Continue to maintain viable presence	11	2033-2034	2033	-	695,070	196,936,500	196,936,500	197,631,570	197,631,570
	12	2034-2035	2034	-	666,360	188,802,000	188,802,000	189,468,360	189,468,360
	13	2035-2036	2035	-	635,400	180,030,000	180,030,000	180,665,400	180,665,400
	14	2036-2037	2036	-	601,920	170,544,000	170,544,000	171,145,920	171,145,920
	15	2037-2038	2037	-	565,740	160,293,000	160,293,000	160,858,740	160,858,740
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2038-2039	2038	-	526,680	149,226,000	149,226,000	149,752,680	149,752,680
	17	2039-2040	2039	-	484,470	137,266,500	137,266,500	137,750,970	137,750,970
	18	2040-2041	2040	-	438,930	124,363,500	124,363,500	124,802,430	124,802,430
	19	2041-2042	2041	-	389,790	110,440,500	110,440,500	110,830,290	110,830,290
	20	2042-2043	2042	-	336,600	95,370,000	95,370,000	95,706,600	95,706,600
	21	2043-2044	2043	-	279,270	79,126,500	79,126,500	79,405,770	79,405,770
	22	2044-2045	2044	-	225,000	63,750,000	63,750,000	63,975,000	63,975,000
	23	2045-2046	2045	-	225,000	63,750,000	63,750,000	63,975,000	63,975,000
	24	2046-2047	2046	-	225,000	63,750,000	63,750,000	63,975,000	63,975,000
	25	2047-2048	2047	-	225,000	63,750,000	63,750,000	63,975,000	63,975,000

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.
 Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date 7/20/2020
Applicant Name FGE Goodnight II, LLC
ISD Name Claude ISD

Form 50-296A

Revised February 2020

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A Number of Construction FTE's	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	QTP 1	2021-2022	2021	300	52,500	-	-	-
	QTP 2	2022-2023	2022	300	52,500	-	-	-
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2023-2024	2023	N/A	N/A	-	5	55,345.40
	2	2024-2025	2024	N/A	N/A	-	5	55,345.40
	3	2025-2026	2025	N/A	N/A	-	5	55,345.40
	4	2026-2027	2026	N/A	N/A	-	5	55,345.40
	5	2027-2028	2027	N/A	N/A	-	5	55,345.40
	6	2028-2029	2028	N/A	N/A	-	5	55,345.40
	7	2029-2030	2029	N/A	N/A	-	5	55,345.40
	8	2030-2031	2030	N/A	N/A	-	5	55,345.40
	9	2031-2032	2031	N/A	N/A	-	5	55,345.40
	10	2032-2033	2032	N/A	N/A	-	5	55,345.40
Years Following Value Limitation Period	11 through 25	2033-2048	2033	N/A	N/A	-	5	55,345.40

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
 Only include jobs on the project site in this school district.

FGE Goodnight II, LLC

Chapter 313 Application to Claude

ISD Merit Advisors, LLC

TAB 15

Economic Impact Analysis, other payments made in the state or other economic information (if applicable)

None

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

- a) Evidence that the area qualifies as a enterprise zone as defined by the Governor's office*
- b) Legal description of reinvestment zone**
- c) Order, resolution, or ordinance established the reinvestment zone**
- d) Guidelines and criteria for creating the zone**

16a) Not Applicable

16b) See Attached

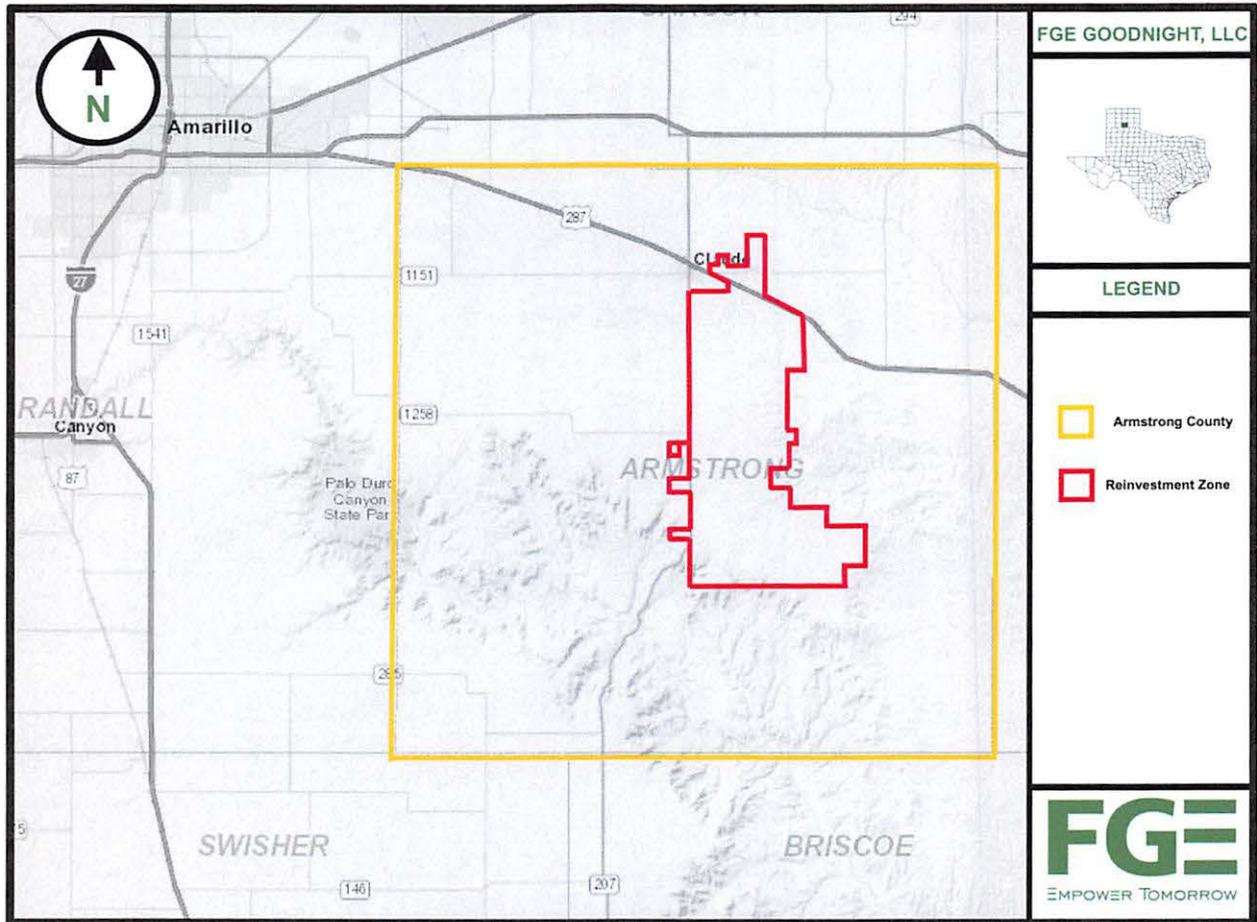
16c) See Attached

16d) See Attached



EMPOWER TOMORROW

Exhibit A: Reinvestment Zone Map



16b) Legal Description of Reinvestment Zone

All of Section 1, 3, 4, 6, and 19, Block 1, Armstrong County, Texas being 4,862.79 acres.

All of Section 2, 5, 6, 7 and 9, Block 4, Armstrong County, Texas being 3,218 acres.

All of Section 204, 206, 235, 237, 238, 239, 241, 242, 243, 244, 245, 246, 276, 277, 278, 279, 280, 282, 283, 284, 285, 316 and 317, Block B4, Armstrong County, Texas being 14,537.09 acres.

All of Section 2, 9 and 10, Block C, Armstrong County, Texas being 1,910.52 acres.

All of Section 10 and 11, Block E3, Armstrong County, Texas being 1,282.50 acres.

All of section 2, Block W, Armstrong County, Texas being 640 acres.

East half of section 2, Block 1, Armstrong County, Texas being 322.5 acres.

All except 53.85 acres out of the West half of Section 5, Block 1, Armstrong County, Texas being 502.39 acres.

North part of Section 8, Block 1, Armstrong County, Texas being 396.39 acres.

All except 2 acres of Section 11, Block 1, Armstrong County, Texas being 638 acres.

North half and Southwest quarter of section 18, Block 1, Armstrong County, Texas being 475.87 acres.

South part of section 20, Block 1, Armstrong County, Texas being 251.09 acres.

West half of the Northwest quarter and the Southwest quarter of section 1, Block 4, Armstrong County, Texas being 320 acres.

Part of the Northwest quarter of Section 3, Block 4, Armstrong County, Texas being 134.67 acres.

44.57 acre tract out of Section 4, Block 4, Armstrong County, Texas.

North half and Southwest quarter of section 8, Block 4, Armstrong County, Texas being 482.4 acres.

178.93 acre tract out of Section 10, Block 4, Armstrong County, Texas.

80 acre tract out of section 15, Block 4, Armstrong County, Texas.

South half and Northeast quarter of section 16, Block 4, Armstrong County, Texas being 479.21 acres.

South part of section 202, Block B4, Armstrong County, Texas being 238.77 acres.

All except a strip on the Northwest quarter of section 203, Block B4, Armstrong County, Texas being 578.9 acres.

All except 5 acres out of section 205, Block B4, Armstrong County, Texas being 635 acres.

Goodnight Wind Energy Project, LLC

Northwest quarter of section 236, Block B4, Armstrong County, Texas being 160 acres.

Middle part and Northwest corner of section 240, Block B4, Armstrong County, Texas being 213.73 acres.

South half and South half of North half of Section 275, Block B4, Armstrong County, Texas being 480 acres.

South half and Northeast quarter of section 315, Block B4, Armstrong County, Texas being 480 acres.

South half of section 4, Block B6, Armstrong County, Texas being 319 acres.

West half of section 3, Block C, Armstrong County, Texas being 317.13 acres.

East half of section 6, Block C, Armstrong County, Texas being 321.18 acres.

South half of section 7, Block E3, Armstrong County, Texas being 315.23 acres.

East half of section 9, Block E3, Armstrong County, Texas being 320 acres.

North part of section 12, Block E3, Armstrong County, Texas being 522 acres.

North part of section 13, Block E3, Armstrong County, Texas being 520 acres.

Out of the North part of section 16, Block E3, Armstrong County, Texas being 48.2 acres.

North half of section 6, Block E4, Armstrong County, Texas being 300 acres.

South half of section 1, Block Z-6, Armstrong County, Texas being 317.65 acres.

A 1,578.64 acre tract out of section 8, Block 1; Section 6, Block Z-7; Section 5, Block Z-7; Section 2, Block Z-8; Section 4, Block Z-7; Section 1, Block Z-8 and section 3, Block Z-7 all in Armstrong County, Texas.

A 2,049.95 acre tract out of section 2, Block Z-7; section 4, Block 2; section 1, Block Z-8; and section 3, Block Z-7 all in Armstrong County, Texas.

16c) Resolution Creating the Reinvestment Zone

RESOLUTION OF THE COMMISSIONERS
COURT OF ARMSTRONG COUNTY, TEXAS
DESIGNATING ARMSTRONG COUNTY REINVESTMENT ZONE 7

A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR A COMMERCIAL/INDUSTRIAL TAX ABATEMENT IN ARMSTRONG COUNTY, TEXAS, ESTABLISHING THE BOUNDARIES THEREOF, AND PROVIDING FOR AN EFFECTIVE DATE.

Whereas, the Commissioners Court of Armstrong County, Texas, desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Property Tax Code §312.001, *et seq.*), and the Guidelines and Criteria of the Commissioners Court of Armstrong County for Granting a Tax Abatement in Reinvestment Zone created in Armstrong County, Texas (the "Guidelines"); and

Whereas, on September 11, 2017, a hearing before the Commissioners Court of Armstrong County, Texas, was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in a newspaper of general circulation in Armstrong County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

Whereas, the Commissioners Court of Armstrong County, Texas, at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone and whether all or part of the territory described should be included in the proposed reinvestment zone; and

Whereas, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone.

BE IT RESOLVED BY THE COMMISSIONERS COURT OF ARMSTRONG COUNTY, TEXAS:

Section 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

Section 2. That the Commissioners Court of Armstrong County, Texas, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- a. That the public hearing on adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by law and mailed to the respective presiding officers of the governing bodies and all taxing units overlapping the territory inside the proposed reinvestment zone; and
- b. That the boundaries of the reinvestment zone should be the area described in the attached Exhibit "A" and depicted in the map attached hereto as Exhibit "B", which are incorporated herein by reference for all purposes. In the event of discrepancy between the descriptions of Exhibit "A" and map in Exhibit "B", the map shall control; and
- c. That the creation of the reinvestment zone will result in benefits to Armstrong County, Texas, and to the land included in the zone and that the improvements sought are feasible and practical; and
- d. The reinvestment zone meets the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it is reasonably likely as a result of the designation to contribute to the retention of expansion of primary employment or to attract investment in the zone that would be a benefit to the property and that would contribute to the economic development of Armstrong County, Texas, and that the entire tract of land is located entirely within an unincorporated area of Armstrong County, Texas.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, Armstrong County Commissioners Court hereby creates Armstrong County Reinvestment Zone 7, a reinvestment zone for commercial-industrial tax abatement encompassing only the area described in Exhibit "A" and depicted in Exhibit "B", and such reinvestment zone is hereby designated and shall hereafter be referred to a Armstrong County Reinvestment Zone 7.

SECTION 4. That Armstrong County Reinvestment Zone 7 shall take effect on September 11, 2017, and shall remain designated as a commercial-industrial reinvestment zone for renewable and wind generated power generation for a period of five (5) years from such date of designation, and may be renewed for an additional five (5) year period thereafter.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of

the date, hour, place and subject of the meeting of the Armstrong County Commissioners Court at which this Resolution was adopted was posted at a place conveniently and readily accessible at all times as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice of the hearing was published in a newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding officers of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this the 11th day of September, 2017.

1 David Reed
County Judge

[Signature]
Commissioner, Precinct 1

[Signature]
Commissioner, Precinct 2

[Signature]
Commissioner, Precinct 3

[Signature]
Commissioner, Precinct 4

[Signature]
County Clerk



(County Seal)

Exhibit A
Legal Description of Armstrong County Reinvestment Zone 7

Armstrong County Reinvestment Zone 7 is comprised of the following parcels. In the event of discrepancy between this Exhibit A and the attached map in Exhibit B, the map in Exhibit B shall control.

Exhibit A Property Description

All of Section 1, 3, 4, 6 and 19, Block 1, Armstrong County, Texas being 4,862.79 acres

East ½ of Section 2, Block 1, Armstrong County, Texas being 322.5 acres

All except 53.85 acres out of the West half of Section 5, Block 1, Armstrong County, Texas being 502.39 acres

North part of Section 8, Block 1, Armstrong County, Texas being 396.39 acres

All except 2 acres of Section 11, Block 1, Armstrong County, Texas being 638 acres

North half and Southwest quarter of Section 18, Block 1, Armstrong County, Texas being 475.87 acres

South part of Section 20, Block 1, Armstrong County, Texas being 251.09 acres

West half of the Northwest quarter and the Southwest quarter of Section 1, Block 4, Armstrong County, Texas being 320 acres

All of Section 2, 5, 6, 7 and 9, Block 4, Armstrong County, Texas being 3,218 acres

Part of the Northwest quarter of Section 3, Block 4, Armstrong County being 134.67 acres

Northwest ¼ of Section 3, Block 4, Armstrong County, Texas being 40.2 acres

Part of Section 4, Block 4, Armstrong County, Texas being 44.57 acres

North half and Southwest quarter of Section 8, Block 4, Armstrong County, Texas being 482.4 acres

Part of Section 10, Block 4, Armstrong County, Texas being 178.93 acres

Part of Section 15, Block 4, Armstrong County, Texas being 80 acres

South half and Northeast quarter of Section 16, Block 4, Armstrong County, Texas being 479.21 acres

Part of Section 116, Block B4, Armstrong County, Texas being 40 acres

All of Section 158, Block B4, except the eastern half of the Southeast ¼ section, Armstrong County, Texas being 567 acres

Part of Section 163, Block B4, Armstrong County, Texas being 225.85 acres

Southwest ¼ of Section 164, Block B4, Armstrong County, Texas being 160 acres

All of Section 165, Block B4, except the Northwest ¼ section, Armstrong County, Texas being 480 acres

Part of Section 197, Block B4, Armstrong County, Texas being 577.39 acres

South part of Section 202, Block B4, Armstrong County, Texas being 238.77 acres

All except a strip on the Northwest quarter of Section 203, Block B4, Armstrong County, Texas being 578.9 acres

All of Section 198, 204, 206, 235, 237, 238, 239, 241, 242, 243, 244, 245, 246, 276, 277, 278, 279, 280, 282, 283, 284, 285, 316 and 317, Block B4, Armstrong County, Texas being 14,537.09 acres

All except 5 acres out of Section 205, Block B4, Armstrong County, Texas being 635 acres

Northwest quarter of Section 236, Block B4, Armstrong County, Texas being 160 acres

Middle part and Northwest corner of Section 240, Block B4, Armstrong County, Texas being 213.73 acres

South half and South half of North half of Section 275, Block B4, Armstrong County, Texas being 480 acres

South half and Northeast quarter of Section 315, Block B4, Armstrong County, Texas being 480 acres

South half of Section 4, Block B6, Armstrong County, Texas being 319 acres

All of Section 2, 9 and 10, Block C, Armstrong County, Texas being 1,910.52 acres

West half of Section 3, Block C, Armstrong County, Texas being 317.13 acres

East half of Section 6, Block C, Armstrong County, Texas being 321.18 acres

South half of Section 7, Block E3, Armstrong County, Texas being 315.23 acres

East half of Section 9, Block E3, Armstrong County, Texas being 320 acres

All of Section 10 and 11, Block E3, Armstrong County, Texas being 1,282.50 acres

North part of Section 12, Block E3, Armstrong County, Texas being 522 acres

North part of Section 13, Block E3, Armstrong County, Texas being 520 acres

Out of the North part of Section 16, Block E3, Armstrong County, Texas being 48.2 acres

North half of Section 6, Block E4, Armstrong County, Texas being 300 acres

All of Section 2, Block W, Armstrong County, Texas being 640 acres

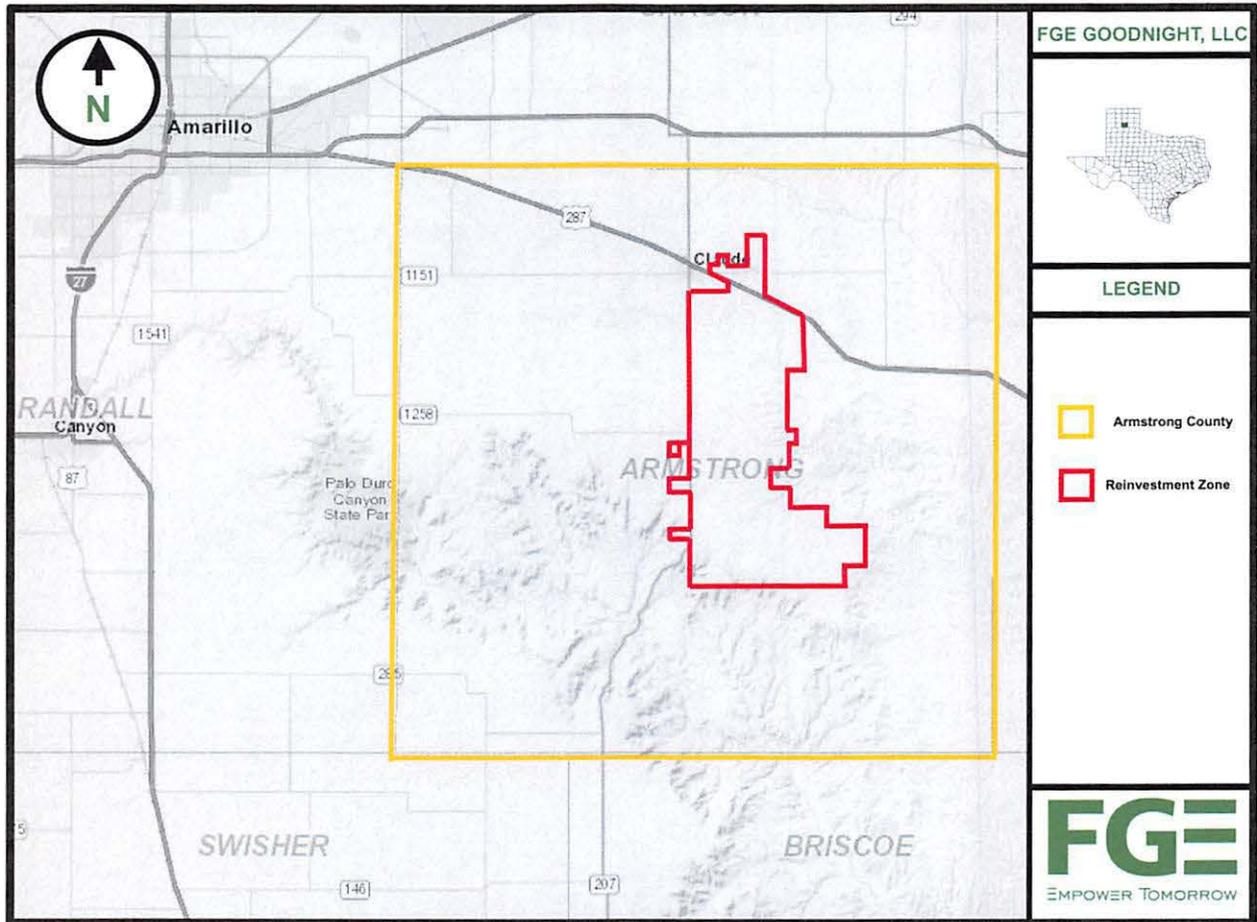
South half of Section 1, Block Z-6, Armstrong County, Texas being 317.65 acres

A 1,578.64 acre tract out of Section 8, Block 1; Section 6, Block Z-7; Section 5, Block Z-7; Section 2, Block Z-8; Section 4, Block Z-7, Section 1, Block Z-8; and Section 3, Block Z-7 all in Armstrong County, Texas

A 2,049.95 acre tract out of Section 2, Block Z-7; Section 4, Block 2; Section 1, Block Z-8; and Section 3, Block Z-7 all in Armstrong County, Texas

Exhibit B
Map of Armstrong County Reinvestment Zone 7

Exhibit A: Reinvestment Zone Map



IN THE ARMSTRONG COUNTY COMMISSIONERS COURT
ARMSTRONG COUNTY, TEXAS

A RESOLUTION
EXPRESSING THE INTENT OF THE COUNTY TO
PARTICIPATE IN TAX ABATEMENT AGREEMENTS AND
ESTABLISHING GUIDELINES FOR SUCH AGREEMENTS

Pursuant to Chapter 312 of the Texas Tax Code, Armstrong County may consider an application for tax abatement, designate a reinvestment zone and enter into a tax abatement agreement in accordance with these Guidelines and Criteria. It is the express intent of the Armstrong County Commissioners Court to promote economic development, but not at the expense of the County's natural resources or services provided to the general public. No application submitted under the following schedule deemed to have a substantially adverse effect on natural resources in the County or on County infrastructure (including roads and bridges) will be approved, unless the applicant can demonstrate just cause for such an exception.

I. Abatement Application Procedure

- A. Who May Apply. Any present or potential owner of taxable real property or interest

in real property in Armstrong County may submit an application for tax abatement conforming to the requirements herein.

- B. Eligible Improvements. Improvements eligible for abatement are limited to alternative and renewable energy and power facilities. Alternative or renewable energy and power facilities are the buildings and structures including fixed machinery and equipment used to produce electric power from a renewable or non-depletable power source.
- C. Eligible Property. Abatement may be granted for the following property: new, expanded or modernized buildings and structures, fixed machinery and equipment; site improvements; other tangible items necessary to the operation and administration of the project or facility; and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code. Taxes on real property may be abated only to the extent the property's value for a given year exceeds its value for the year in which the agreement is executed. Tangible personal property located on the real property at any time before the period covered by the agreement is not eligible for abatement. Tangible personal property eligible for abatement shall not include inventory or supplies.

Property in a reinvestment zone that is owned or leased by a member of the County Commissioners Court is excluded from property tax abatement.

- D. Application Provisions. The application shall consist of a completed Armstrong County Tax Abatement Application Form, which shall contain the following:
- (1) information showing how the project meets the requirements of the criteria outlined in Section II below;
 - (2) a map and description of the property;

- (3) a time schedule for completing the planned improvements;
- (4) the estimated taxable value or range of values of the project or facility; and
- (5) basic financial information about the applicant sufficient to enable evaluation of the application=s financial capacity.

E. Procedure for Consideration of Application. The procedure for consideration by the County of a Tax Abatement Application is as follows:

- (1) An applicant may request a Tax Abatement Application form from the County Clerk, County Judge or County Attorney.
- (2) After an applicant completes the Tax Abatement Application, the application must provide a copy to each member of the Armstrong County Commissioners Court and the County Clerk and the County Attorney.
- (3) The Commissioners Court shall issue a determination at any time before the expiration of sixty (60) days from the date of receipt of the application regarding how to proceed with the application. The Commissioners Court shall choose either to deny the application, consider the application or consider the application on an expedited basis.
 - a. *Denial of Application.* If the Commissioners Court chooses to deny the application, it shall make a finding by majority vote at a regularly

scheduled meeting that, after balancing the criteria described below in Section II, it is the judgment of the Commissioners Court that the application should be denied.

- b. *Consideration of Application.* If the County determines that the application should be further considered, the Commissioners Court must hold a public hearing to obtain public input on the application. Not later than the seventh (7th) day before the date of the hearing, notice of the hearing must be (1) delivered in writing to the presiding officer of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone, and (2) published in a newspaper of general circulation in the County. At the hearing, the Commissioners Court evaluates the application against the criteria in Section II and decides by majority vote whether to designate the property for which the abatement is sought as a reinvestment zone. If the reinvestment zone is not designated, the application fails, although it may be amended and resubmitted. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect. An order designating an area as a reinvestment zone is valid for five (5) years from the date of designation. Once the area is designated as a reinvestment zone, the Commissioners Court may then arrange to consider for approval of the tax abatement agreement between the applicant and the County at its next regularly scheduled meeting. At least seven days prior to entering into a tax abatement agreement, the County must give written notice of its intent to do so to the presiding officer of each taxing unit that includes in its boundaries real property that is to be included in the

proposed reinvestment zone, along with a copy of the proposed tax abatement agreement. At the regularly scheduled meeting, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement, or to decline. An approved tax abatement agreement may be executed in the same manner as other contracts made by the County. A tax abatement agreement that is declined by the County may be amended and resubmitted to the County.

- c. Expedited Consideration of Application. If the County determines that the application should receive an expedited consideration, the Commissioners Court may combine the steps described in the preceding paragraph into a single, regularly scheduled meeting of the Commissioners Court, provided the County meets the procedural prerequisites for each step.

F. Confidentiality. As required by Chapter 312.003 of the Texas Tax Code, information that is provided to Armstrong County in connection with an application or request for tax abatement under this chapter and that described the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which tax abatement is sought is confidential and not subject to public disclosure until the tax abatement agreement is executed.

G. Effect of Error or Variance with Application Procedure. Except where not allowed by state law, the County may waive application procedures or grant procedural variances as they deem appropriate.

Armstrong County

A Resolution re: Tax Abatement, Page 5

**II. Criteria for Designating a Reinvestment
Zone and Evaluating Tax Abatement Agreement**

- A. Minimum Requirements. To be designated a reinvestment zone, County Commissioners must find by majority vote that the designation would contribute to the retention or expansion of primary employment or would attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the County.
- B. Criteria. In determining whether to designate a reinvestment zone and whether to enter into a tax abatement agreement, the Commissioners Court shall consider the following factors, among others determined appropriate by the Court:
- (1) the current value of land and existing improvements, if any;
 - (2) the type, value and purpose of proposed improvements, if any;
 - (3) the productive life of proposed improvements;
 - (4) the impact of proposed improvements and any other proposed expenditures on existing jobs;
 - (5) the number and type of new jobs, of any, to be created by proposed improvements and expenditures;
 - (6) any costs to be incurred by Armstrong County, if any, to provide facilities or services directly resulting from the new improvements;
 - (7) the types and values of public improvements, if any, to be made by applicant seeking abatement;
 - (8) an estimate of the amount of ad valorem property taxes to be paid to Armstrong

- County after expiration of the abatement agreement;
- (9) the impact on the business opportunities of existing businesses and the attraction of new businesses to the area; if any;
 - (10) the overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area;
 - (11) whether the applicant's proposed facility or improvement or modernization is an industry which is new to Armstrong County;
 - (12) the impact upon County infrastructure including roads, bridges and the use of County services; and
 - (13) the impact upon depletion of natural resources of the County.

III. Format for Tax Abatement Agreement

A. Required Provisions. If the Armstrong County Commissioners Court designates a reinvestment zone, it may consider and execute a tax abatement agreement with the owner of the designated property as outlined above. Any tax abatement agreement shall include at least the following provisions:

- (1) the kind, number and location of all proposed improvements of the property;
- (2) provisions allowing for reasonable access to the property for initial and intermittent inspection purposes by County employees or designated representatives to ensure improvements are made in compliance with the agreement;
- (3) provisions limiting the use of the property consistent with the general purpose of encouraging development or redevelopment of the area during the period of the abatement;

- (4) provisions for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided in the agreement;
- (5) each term agreed to by the recipient of the abatement;
- (6) a requirement that the abatement recipient certify its compliance with the agreement annually to each taxing unit that is a party to the agreement; and
- (7) provisions allowing the County to cancel or modify the agreement if the recipient fails to comply with the agreement.

B. Optional Provisions. The tax abatement agreement may also contain any or all of the following items, in addition to any others deemed appropriate by the contracting parties:

- (1) the estimated taxable value or range of values for which taxes are to be abated;
- (2) the percent of value to be abated each year;
- (3) the commencement and termination dates of the abatement;
- (4) the proposed use of the property;
- (5) a time schedule, map and property designation;
- (6) contractual obligations in the event of default or violation of terms or conditions;
- (7) the size of investment and number of temporary and permanent jobs involved, if any;
- (8) provisions for dispute resolution.

C. Duration and Portion of Abatement. A tax abatement agreement granted by Armstrong County shall be up to but not exceeding ten (10) years in duration and up to but not exceeding 100 percent (100%) in portion of ad valorem property taxes abated. At any

time before the expiration of the agreement, the parties may agree to modify the agreement or to delete provisions that were not necessary to the original agreement. The same procedural prerequisites for approval of the original agreement apply to modification of the agreement.

- D. Time Limit. Such agreement shall be executed with thirty (30) days after the passage of the resolution approving the agreement, unless the County and the applicant mutually agree otherwise.

IV. General Provisions

These guidelines and criteria in no way require the County to enter into any specific tax abatement agreement. The County maintains the discretion to reject any application for tax abatement as it deems appropriate.

V. Sunset and Amendment of Guidelines and Criteria

These guidelines and criteria are effective upon the date of their adoption and will remain in force for two (2) years, unless amended by a three-fourths (3/4) vote of the Armstrong County Commissioners Court.

ADOPTED in the County Commissioners Court the 14th day of January, 2013.

1 Doug Reed
County Judge

Armstrong County

A Resolution re: Tax Abatement, Page 9

FGE Goodnight II, LLC

Chapter 313 Application to Claude ISD

Merit Advisors, LLC

TAB 17

Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)

See Attached

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**.

NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print here Brock Cartwright Superintendent
 Print Name (Authorized School District Representative) Title

sign here [Signature] 7/23/20
 Signature (Authorized School District Representative) Date

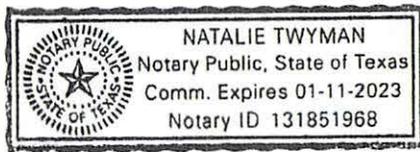
2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here Emerson Farrell CEO & President
 Print Name (Authorized Company Representative (Applicant)) Title

sign here [Signature] July 23, 2020
 Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

23rd day of JULY, 2020

[Signature]
 Notary Public in and for the State of Texas

My Commission expires: 1/11/23

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.